

This act will put an end to that practice. The sanctions regime will now require the President to investigate a report of sanctionable activity and make a determination whether a violation has occurred. That determination must be reported to Congress and if a violation has occurred, the President must impose sanctions or give the specific reasons why a waiver of the sanctions is necessary. Prior law merely authorized a President to investigate. It did not require a President to investigate or make a determination if he chose to investigate.

A brand new mandatory financial sanction imposes severe restrictions on foreign banks doing business with Iranian banks or the IRGC—Iranian Revolutionary Guard Corps—and its affiliates, which are increasingly seen to command vital sectors of the Iranian economy.

The act also establishes a legal framework for States and local governments and a safe harbor for fund managers to divest their portfolios of foreign companies involved in Iran's energy sector. We have also created a system to address black market diversion of sensitive technologies to Iran through other countries.

In order to accommodate the President's constitutional authorities in the conduct of foreign affairs, we have had to preserve the prior construct of waivers and exceptions to these sanctions throughout the act. We have tried, however, to give the President as narrow an opening as possible for diplomatic delays. Even though the window for delay remains slightly open, this legislation is a vast improvement over prior law, and ensures that the President must make a determination to impose sanctions or provide Congress with a timely and written rationale for any delays or waivers.

During the conference process, the administration insisted that we include a so-called closely cooperating countries exemption. Such an exemption would spare a country and its firms from any public risk to reputation and imposition of sanctions because an exemption, as opposed to a waiver, allows the country in question to avoid the specter of an investigation altogether.

Instead, an already existing waiver for countries that cooperate with the United States in multilateral efforts to prevent Iran from acquiring nuclear weapons technology was modified to give a country and its firms, on a case-by-case basis, more time to cure their behavior.

This waiver for cooperation can only be used, however, after the President first initiates an investigation, makes his determination whether sanctionable activity exists, and then certifies to Congress who would get the waiver. He must then explain exactly what actions that particular government is taking to cooperate with multilateral efforts and why the waiver is "vital to the national security interests of the United States."

Once enacted, this law will allow the Treasury Department to put key companies and countries on notice that the clock is running, investigations are to begin immediately, and there is little room to avoid determinations of potential violations. In other words, there is no place left to hide.

Once again, nothing that we have done in this conference report will curb Iran's nuclear ambitions. But, targeting Iran's oil and gas sectors will certainly raise the stakes for Iran's leaders, perhaps enough for them to consider confining their nuclear ambitions to peaceful uses.

Mrs. FEINSTEIN. Mr. President, I rise today to express my support for the conference report on the Iran Refined Petroleum Sanctions Act.

This conference report expands sanctions authorized by the Iranian Sanctions Act of 1996 to foreign companies who sell Iran refined petroleum, support Iran's domestic refining capacity or sell Iran goods, services, or know-how that assist it in developing its energy sector; bans U.S. banks from engaging in financial transactions with foreign banks who do business with Iran's Islamic Revolutionary Guards Corps or facilitate Iran's nuclear program and its support for terrorism; establishes three new sanctions the President may impose on violators of the Iranian Sanctions Act and requires the President to impose at least three of nine possible sanctions authorized by that act; bans U.S. government procurement contracts to companies that export technology to Iran that inhibits the free flow of information; and authorizes States and local governments to divest from companies involved in Iran's energy sector.

The sanctions will terminate when the President certifies to Congress that Iran is no longer a state-sponsor of terrorism and has ceased efforts to acquire nuclear, biological, and chemical weapons and ballistic missiles and technology.

Let me be clear: I am deeply concerned about Iran's uranium enrichment program and its refusal to abide by United Nations Security Council resolutions calling on Tehran to cease its activities and, once and for all, come clean about its nuclear program.

A nuclear Iran would represent a serious threat to the security of the United States, Israel, and the international community.

The question is, What is the best way to convince Iran to abandon its uranium enrichment program?

During the previous administration, the United States sat on the sidelines and refused to talk to Iran.

We let the United Kingdom, France, and Germany do the hard work of negotiating with Tehran as we remained silent.

And it got us nowhere. Iran's uranium enrichment program accelerated and became more advanced.

We had to try a different approach.

I strongly supported the Obama administration's decision to break with

this past and pursue a robust, diplomatic initiative with Iran.

I am disappointed we have not made more progress. Indeed, Iran has taken steps in the wrong direction.

A new, secret enrichment facility at Qom was uncovered.

Iran refused to accept a U.S.-Russian proposal to ship its low enriched uranium to Russia and France for further processing for medical isotopes.

And it continues to drag its feet on revealing to the International Atomic Energy Agency the full extent of its nuclear program.

But the commitment this administration made to diplomacy gave us the leverage we needed to secure the backing for a fourth round of sanctions at the United Nations Security Council.

There was no question that China and Russia were skeptical about additional sanctions.

Securing their support and maintaining the support of our allies required principled, sustained, and deft diplomacy and I congratulate the administration for its success.

Yet I recognize that the U.N. resolution could have been stronger and that unilateral action, such as the sanctions included in this legislation, will complement the U.N. efforts.

And that is why I support passage of this legislation.

Nevertheless, I believe it is critical for the United States to continue to pursue the diplomacy track.

We must develop a "Plan B" to deal with the possibility that Iran's nuclear ambitions progress.

Iran has been able to withstand previous sanctions initiatives and there is no guarantee that this latest round will be more effective.

We know that China and Russia are unlikely to support tougher measures at this time.

Military action is not a "Plan B". A strike would likely only delay, not destroy, Iran's nuclear program and lead to more violence and instability in the region.

In my view, we must use the passage of the latest U.N. Security Council resolution and passage of this legislation as an opportunity to reach out to Tehran again on a fresh diplomatic initiative, not just on the nuclear program but on other issues where we can find some level of common ground and avenues of cooperation.

Two months ago I had lunch with Iran's ambassador to the United Nations, Mohammad Khazaei, and I was struck by the lack of trust and understanding between our two countries.

If we can find ways to build that trust, we may be able to secure progress on the most intractable issues.

As chair of the Caucus on International Narcotics Control, I strongly suggest that cooperation on counter-narcotics efforts is a good place to start.

For example, Iran has suffered greatly from the influx of Afghan opium: